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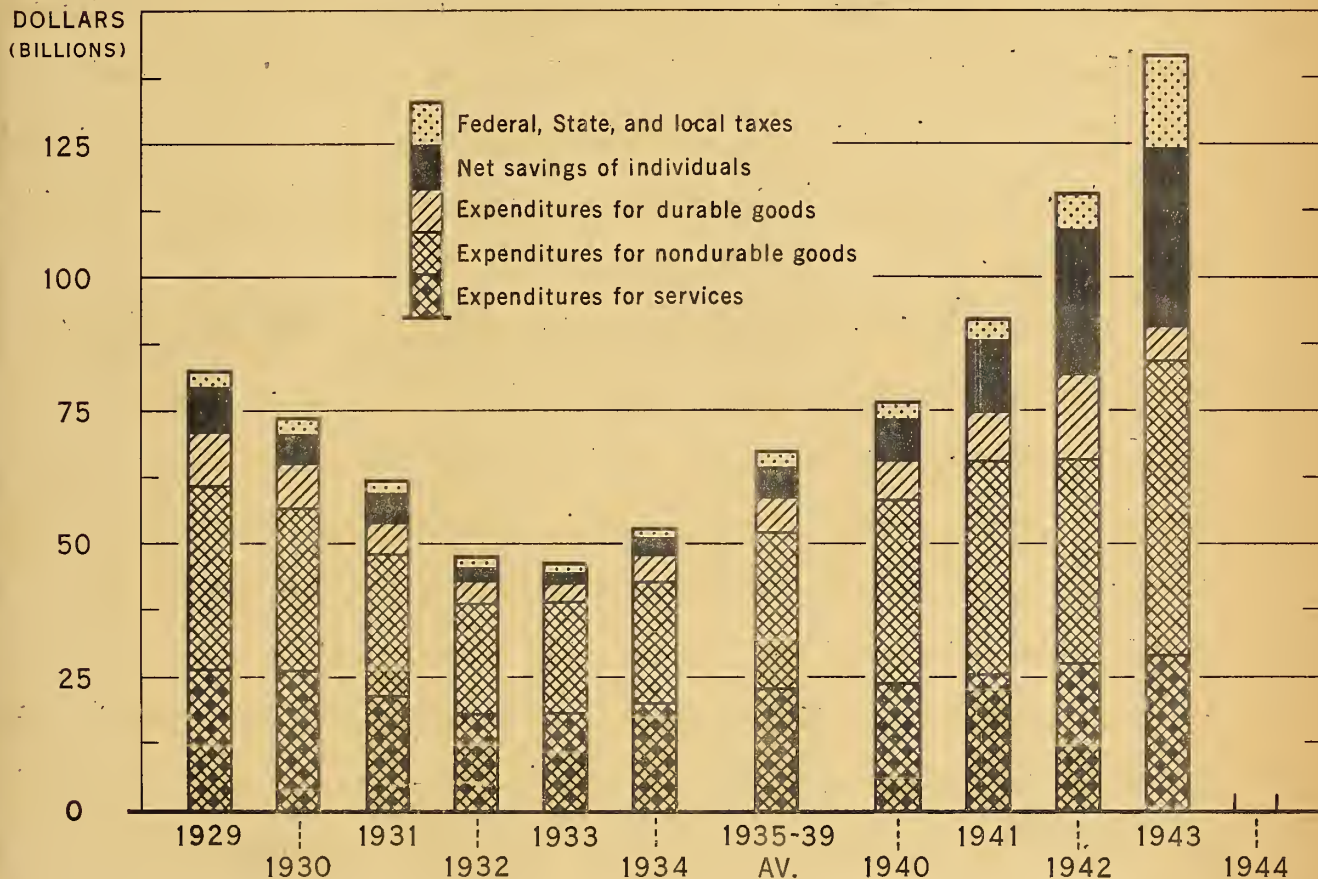
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SITUATIONBUREAU OF AGRICULTURAL ECONOMICS DEPARTMENT OF AGRICULTURE
UNITED STATES DEPARTMENT OF AGRICULTURE

WASHINGTON, D. C.

BAE

MARCH 1944

DISPOSITION OF INCOME PAYMENTS TO INDIVIDUALS,
UNITED STATES, 1929-43

U. S. DEPARTMENT OF AGRICULTURE

NEG. 43529

BUREAU OF AGRICULTURAL ECONOMICS

The income received by individuals in the United States in 1943 was more than double the 1935-39 average. In 1933, it was 31.1 percent below the 1935-39 average, and in 1929, it was 22.9 percent above. Expenditures for goods and services took only 63.8 percent of total income payments in 1943 as compared with 87.5 percent in 1935-39. Taxes - Federal, State and local - increased from 4.5 percent of total income payments in 1935-39 to 12.5 percent in 1943, while the net savings of individuals increased from 8.2 to 23.7 percent. A large proportion of the savings in 1943 were used for the purchase of Government bonds.

Total consumer expenditures increased 53.9 percent from 1935-39 to 1943. The largest increase occurred in the consumption of nondurable goods which expanded 86 percent from 1935-39 to 1943. Expenditures for durable goods increased only two percent, and for services, 28 percent during the same period. During the period from 1935-39 to 1943, the index of wholesale prices increased 27.9 percent, and the index of the cost of living in large cities 23.6 percent.

DEMAND FOR FARM PRODUCTS

Trends in business activity during recent weeks have been relatively stable, probably indicating a leveling off of wartime expansion in production and in the demand for farm products at about their present height. The seasonally adjusted index of industrial production 1/ was 242 in January, a rise of one point from the previous month, but five points under the peak reached in November 1943. The index for durable manufactured goods declined one point in January while that for nondurable goods rose the same amount. Indications are that there was little change in the situation in February and early March, although steel production averaged slightly higher in February than in January.

Wholesale prices, as indicated by the index of the Bureau of Labor Statistics, have remained nearly constant for the past year. During the week ended February 19, 1944 the index averaged 103.3. The monthly figures have remained within one point of this position since February 1943 when the index was 102.5. This stability of wholesale prices has also existed for the major classes of commodities, such as manufactured products, raw materials and farm products. However, in the case of farm products, the index of grain prices has been rising at an average rate of 1.8 points per month during the past year, while the index for livestock and poultry prices has been declining at a somewhat slower rate.

Contrary to the usual peacetime situation, retail prices of commodities have been more variable than wholesale prices in recent months. The Department of Commerce index of retail prices has been increasing slowly since November 1943, after declining for the previous 3 months.

1/ Federal Reserve Board, 1935-39 = 100.

The seasonally adjusted index of income payments to individuals 2/ has continued its almost uninterrupted rise since the middle of 1938, reaching 227.5 in January this year. This is an increase of 2.7 points or 1.2 percent from the previous month. The index for nonagricultural income payments rose 2 points in January, while that for salaries and wages increased 1.6 points. It is not likely that income payments will continue to rise if industrial production and wholesale prices remain stable. The rate of rise has declined considerably since last October. Consumer expenditures for goods have risen less rapidly in the past year than have income payments. The rise in the index from January 1943 to January 1944 was 12.2 percent for expenditures, compared with a 15.8 percent increase for income payments. Consumer expenditures for services have increased even less than those for goods. Shortages of consumer goods probably will continue to affect consumer expenditures although supplies may not be quite as short in the coming year as they were in 1943.

-- March 20, 1944

Employment and Wages

The total civilian labor force in the United States in January 1944 was estimated at 51.5 million persons. 3/ This is 1.9 million less than the number in the labor force 1 year earlier. The total number employed in January was 50.4 million, a decrease of 0.6 million from December 1943 and 1.4 million from January 1943. There has been a decline in civilian employment each month since July 1943.

Contrary to the trend of employment, the index of factory payrolls continued to increase until November 1943. However, there was a decrease of 7.7 points in the index from November to December. The largest drop occurred in the index of payrolls for durable goods industries which declined 12.4 points as compared with 3.2 points for nondurable goods industries. Preliminary indications are that the lower level of payrolls has continued into 1944. The average number of hours worked per week in manufacturing industries declined 1.3 percent in December from the high peak reached in November, and there was a decline of 1.4 percent in the average weekly earnings of factory workers. Average hourly earnings remained almost constant.

2/ Department of Commerce, 1935-39 = 100.

3/ Bureau of the Census.

The number of persons employed on farms March 1, 1944, was 8,562,000. This was 360,000 more than were employed on January 1 but 168,000 less than on March 1, 1943. The increase from January to March was seasonal in character. The gain for the 2 months in the number of hired workers employed was 3.0 percent as compared with 4.7 percent for family workers. The largest increase in farm employment occurred in the South Atlantic States where the work of preparing for the coming year's crop is farthest advanced.

The index of farm wage rates (1909-14 = 100) after adjustment for seasonal influences was 286 on January 1, 1944, as compared with an average of 264 for the year 1943, and 232 for January 1, 1943. The January 1944 figure is the highest on record and is 242 percent of the 1935-39 average. The greatest increase in wage rates has occurred in the Pacific Coast States and in the northeastern part of the country, where there has been a larger than average development of war industries. The lowest increase has taken place in the southeastern States.

Government Finance

Expenditures of the Federal Government for February totaled 7,862 million dollars. This is the highest figure for any single month except June 1943 when large accounting adjustments entered into a reported total of 8,327 million dollars. The February expenditures were almost 4 percent higher than those for January, and 28.5 percent above those for February 1943. Expenditures for war purposes accounted for 95.6 percent of the total in February 1944 as compared with 94.3 percent 1 year earlier.

Total Government expenditures for the calendar year 1943 were 88.1 billion dollars, of which about 84.5 billion dollars ^{4/} constituted a use of the gross national product of the country. The gross national product for the year was 186.8 billion dollars. Government activities, therefore, accounted for 45.2 percent of the economic output of the country last year.

Net budget receipts of the Federal Government for the calendar year 1943 were 34.6 billion dollars. This left a net budget deficit of 53.5 billion dollars. Government borrowing to cover the deficit was greatly facilitated by the very high level of individual savings which amounted to 33.6 billion dollars. Much of this was invested in Government bonds and will be available to consumers after the war, and will help to maintain the demand for farm products during the period of readjustment to peacetime conditions.

War Food Administration

Purchases of Agricultural Products

An important buyer of agricultural commodities in the country at the present time is the War Food Administration of the United States Government. During the calendar year 1943, the total cost of agricultural commodities purchased from trade channels for Lend-Lease, Territorial Emergency, Red Cross and other purposes was 1,937 million dollars. All but a small proportion of these products were produced in the United States. In addition, 229 million dollars worth of commodities were obtained for Lend-Lease

^{4/} Government transfer payments and payments not entering into the income of the recipient are excluded from this amount. See Survey of Current Business, March 1943, p. 25.

operations from the Commodity Credit Corporation. During the year 1943, of the total amount spent for agricultural products, 35 percent was used for the purchase of meats and fish, 25 percent for dairy and poultry products, 11 percent for fats and oils, 11 percent for fruits and vegetables, 5 percent for other food products, and 3 percent for nonfood products.

The cost of purchases during the month of January 1944 was 181 million dollars. This is the largest monthly figure since June 1943, and exceeds the figure for January 1943 by more than 10 million dollars. Purchases reached a low point of 119 million dollars in October 1943 and since that time have increased each month.

FARM INCOME AND PRICES

A further decline is expected in the index of prices received by farmers for March. The drop will probably occur in prices for crops while livestock prices may advance slightly.

Some increase in volume of marketings will take place, and total income will advance somewhat.

From present indications it appears that the decline in total income from farm marketings between January and February was less than usual, even after allowing for the extra day in February this year. Total income from farm marketings in February was about 1.3 billion dollars.

Federally inspected total slaughter of meat animals in February exceeded all previous records for the month. Generally favorable weather in most poultry sections helped to bring about an increase in egg production per bird of 7 percent above February 1943, adjusted to a daily basis. Farm flocks, averaging 5 percent more birds than in February last year, produced 12 percent more eggs (after adjustment for the extra day this year). Milk production in February was only slightly less than in January, and was 1 percent below a year earlier, on the basis of the same number of days. A greater proportion of the milk was diverted for use in manufactured products, however, and the butterfat content decreased.

Receipts from crops may be down slightly more than usual because of a 2 percent drop in prices for crops. Prices received by farmers for all products sold in February dropped only a fraction of 1 percent in relation to January.

The preliminary estimate for total income from farm marketings for January was 1,545 million dollars compared with 1,692 million dollars in December 1943. This decline was much less than usually takes place between these 2 months. Receipts from food grains, cotton and cottonseed, and fruits and nuts held up well in January as compared with December, while vegetable sales increased more than usual. Income from all types of meat animals except hogs was down more than seasonally. The drop in receipts from poultry and eggs was greater than usual, because of an exceptional decline in marketings of chickens and broilers. Milk production was up 11 percent in January over average 1933-42 production for the month, and more than the regular seasonal increase in income for dairy products occurred.

The domestic supply (carry-over plus production) of American cotton in 1943-44 is currently estimated at 21,844,000 running bales. This is 1,265,000 bales lower than in 1942-43 and the lowest since 1936-37. The decline from last season is entirely attributable to the drop in production from 12,604,000 bales to 11,275,000 running bales, as the carry-over increased slightly. Domestic consumption of American cotton in 1942-43 showed a slight decline from the record level established in 1941-42, but this season it is expected to be about 10 percent under the record. Total disappearance (consumption, exports, and destroyed) of cotton is also expected to show a substantial decline from the 1942-43 level. In fact, the 1943-44 disappearance may be lower than in all but 3 of the preceding 15 years. As the decline in total disappearance is expected to be about the same as the decline in supply, the carry-over of American cotton on August 1, 1944, may total about 10.6 million bales, not greatly different from that on August 1, 1943.

It is too early to have any clear indication of how much of the carry-over on August 1 will be either owned or held as collateral by the Commodity Credit Corporation. On February 29, 1944, Government-owned stocks totaled 2.4 million bales and loan stocks about 5.4 million bales of which 3.2 million bales were 1943 crop cotton. Assuming that there will be no net change in Government stocks between March 1 and August 1, the "free" carry-over (total carry-over less Government-held cotton) at the end of the current season would total about 2.8 million bales. This compares with slightly under 6.0 million bales last August 1 and the 1938-42 average of nearly 3.9 million bales and is the lowest since 1940.

During the first 20 days of March the 10-market price of Middling 15/16 inch cotton averaged 21.01 cents or 1/4 cent higher than a month earlier and 8 points less than a year ago. The recent high of 21.27 was the highest since early June.

WHEAT

Wheat continues to move into consumption generally at ceiling prices for all except wheat of high protein. Prices at Portland, however, persist as an exception. During the past month prices at that market declined 2 cents and are now 11 cents under the ceiling. Weakness in wheat prices in the Pacific Northwest reflects suspended lend-lease buying, pending changes in the shipping and export programs.

The large current and prospective demand for wheat continues strong enough to offset the several factors which would ordinarily have a weakening influence. In addition to the absence of Government buying of flour, these are: (1) Improved moisture conditions, (2) final agreement with Cuba for large purchases of industrial alcohol and black-strap molasses for the production of industrial alcohol in this country, which will reduce the quantity of wheat to be used for this purpose, and (3) some reduction in feeding prospects in the second half of the year because of a reduction in the spring pig crop.

Winter precipitation has materially improved yield prospects for winter wheat, and acreage losses are now less than were expected last December. Subsoil moisture reserves in the Central Plains area, however, are

insufficient to assure a good crop unless more than usual precipitation occurs between now and harvest time.

With market prices materially above loan values, the quantity of wheat placed under loan has been light and the subsequent redemption has been heavy this year. The CCC reports that through March 11 loans had been completed on 130 million bushels of 1943 wheat, of which 45 million were stored on farms and 85 million in warehouses. On March 11, 1943, there were 406 million bushels of the 1942 crop under loan. Redemptions to March 11 have totaled 79 million bushels of which 13 million were wheat stored on farms and 66 million in warehouses.

FATS, OILS, AND OILSEEDS

Support prices for soybeans and peanuts to be harvested in 1944 were revised upward in early March. The new support price for soybeans is \$2.04 per bushel for No. 1 and 2 green or yellow beans, 14 percent moisture content or less, delivered at country elevators or other normal producer delivery points. This price is 10 cents per bushel higher than previously announced for soybeans of the 1944 crop and 24 cents per bushel above the support level for 1943-crop soybeans. For peanuts, the new support prices are \$145 per ton for the Runner type and \$160 per ton for other types, with specified percentages of sound, mature kernels. These prices represent increases of \$5 and \$10 per ton, respectively, over the support prices previously announced for peanuts to be harvested in 1944. The support prices for 1943-crop peanuts are \$130 and \$140 per ton, respectively, for Runner type and other types.

With lard production at a record high level, stocks of lard accumulated rapidly in January and February. By early March, it had become difficult to obtain additional storage facilities for lard. To ease this situation, delivery of 50 million pounds of federally inspected lard to soap makers was permitted in March. This was in addition to 50 million pounds of rendered pork fat allowed to soap makers in late February for purchase before July 1. Also, the original allowance of 156 million pounds of lard for civilian food use in March was increased 50 million pounds, and the ration-point value of lard was reduced to zero for the month.

Production of lard is expected to be materially smaller in the April-June quarter than in January-March. The present excess of output over the quantities originally scheduled for the various uses is not expected to continue. Prices of lard in major wholesale markets have remained at ceilings.

Principally as a result of the accumulation of lard, factory and warehouse stocks of fats and oils increased about 168 million pounds (crude basis) in January. The seasonal peak this year in total stocks of fats and oils probably will be reached about April 1, as in most years. January 31 stocks, at 2,272 million pounds, were about 235 million pounds greater than a year earlier but still under the level indicated by the pre-war relationship between requirements (domestic disappearance plus exports) and stocks. The supply situation in fats and oils, particularly in edible oils, is likely to tighten in July-September, the period of seasonally low inventories.

CORN AND OTHER FEEDS

Little or no change in feed prices has been evident during the past month. Prices of byproduct feeds, which are under ceilings, were unchanged in early March from a month ago, with the exception of alfalfa meal, which increased slightly. The United States average price received by farmers for corn as of February 15, at \$1.13 per bushel, was unchanged from a month earlier; the price of oats advanced about a cent to 78.6 cents per bushel; and the price of barley advanced a cent to \$1.09 per bushel. Since these grains are now under ceilings, it is unlikely that when March 15 farm prices are published they will show much change from the February 15 prices. Although prices paid by farmers for mixed feeds continued to increase in February from a month earlier, the increases (1 to 2 cents per 100 pounds) are smaller than were registered in earlier months, reflecting the extension of maximum price regulations to the principal ingredients.

During recent weeks there has been a marked decrease in receipts of feed grains for shipment to deficit areas and industrial users -- a reversal of the tendency during the first weeks of 1944, and a return to the trend demonstrated in the fall months of 1943. Since mid-February, receipts of corn at 12 primary markets have declined considerably. Receipts during the week ended March 11 amounted to 4.3 million bushels, the lowest level since September 1943, and were slightly more than half of the receipts for the corresponding week of 1943. Oats receipts at 1.2 million bushels were the smallest since the first week of January, and below receipts for the corresponding week of 1943. Barley receipts at 4 markets, totaling about 1.4 million bushels, were the smallest since July, 1942.

The demand for all kinds of feed continues strong, and it is indicated that the demand for feed grains during the 1943-44 feeding year will exceed that of any previous year. Open weather during much of the winter tended to relieve the demand to some extent. There are sufficient quantities of feed grains on hand for the country as a whole to carry through the present feeding year, but the carry-over at the beginning of the next feeding year is likely to be the smallest since 1937. The demand for feeds in 1944-45 probably will be less than in the current feeding year as a result of expected reductions in the livestock population, particularly in hogs.

LIVESTOCK AND MEATS

Output of meat during the period April-September is expected to be greater than for the same period last year. Production of pork, beef, and veal is expected to be greater but lamb and mutton probably will be less. However, requirements are also larger, so that the demand for meat will continue to exceed the supply. Without meat rationing, civilians would probably consume 160 to 170 pounds of meat per person annually on a dressed-weight basis, with present consumer incomes and under present retail price ceilings. This is greater than the quantity civilians have been eating under the liberal meat allowances this winter.

Slaughter of livestock under Federal inspection in February was at a very high rate. Hog slaughter of 7.4 million head was 70 percent greater than last February, but 6 percent less than slaughter in January. February slaughter of cattle slightly exceeded 1 million head and was 22 percent above

slaughter a year earlier, but 9 percent less than January slaughter. Calf slaughter was 33 percent greater than in February 1943 but was 6 percent less than in January. Sheep and lamb slaughter was about the same as in February 1943 but was 22 percent less than in January. Indications are that March slaughter of all species will be large. Slaughter of hogs in March and April will be very large in comparison with other years.

The number of early lambs produced in the principal early lamb States will be about 6 percent less this year than last and will be the smallest number in at least 8 years. The reduction this year from last will be the result of fewer breeding ewes in these States, as the number of lambs saved per 100 ewes was larger than a year ago. Fewer lambs will probably be marketed before July 1, but this may be offset by a larger market movement of yearlings and wethers from Texas. A smaller proportion of the spring lambs from the Pacific Coast States will be marketed at eastern markets this year than is usual.

Hog prices have advanced in recent weeks, and it is almost certain that there will be further price advances as marketings decline in March and April. The average price paid for all packer and shipper purchases at Chicago was \$13.39 for the week ended February 12 and was \$13.83 for the week ended March 11. There was a marked improvement in the price of hogs outside the support-weight range (200-330 pounds) and the price of sows during this period.

The very heavy slaughter of hogs in January and February resulted in the accumulation of large inventories of lard in dealers and processors hands in early March.

Cattle slaughterers who slaughter over 52 cattle a week which meet Army purchase specifications are required to have Federal inspection on their beef slaughtering operations and to set aside specified percentages of their slaughter for purchase by Federal procurement agencies, effective April 1, 1944. This was directed through Food Distribution Order No. 75.2, Amendment 7, issued February 23, 1944. These plants will be required to reserve at least 50 percent of all Choice, Good, Commercial, and Utility beef from steers and heifers meeting Army specifications. Canner and Cutter beef will not be required to be set aside for Government purchase from these slaughterers as is the case with plants now operating under Federal inspection.

WOOL

Cash farm income from shorn wool in 1943, totaling 160 million dollars, was the largest on record. An increase of 1.5 cents in the average price per pound more than offset the decline from 1942 in the quantity produced. The average price of 41.6 cents per pound received by farmers in 1943 was the highest since 1920. Production of wool, both shorn and pulled, totaled 448 million pounds in 1943. This is about 11 million pounds or 2 percent below the record production of 1942 and 8 million pounds smaller than in 1941, but larger than for any other year. Because of a 7 percent reduction in sheep numbers from January 1, 1943 to January 1, 1944, farmers will have less wool to sell in 1944 than in 1943. The Government purchase program for wool

probably will be continued along much the same lines as last year and farm prices for wool this year probably will be quite similar to those of 1943.

Privately owned stocks of domestic and foreign apparel wool held by United States dealers and manufacturers on January 1, 1944, totaled 306 million pounds, grease basis, compared with about 390 million pounds at the beginning of 1943 and 290 million pounds at the beginning of 1942. Privately owned stocks of domestic wool totaled 100 million pounds on January 1, 1944, and 209 million pounds on January 1, 1943. In addition to these stocks, approximately 171 million pounds of Government-owned domestic wool were held by the Commodity Credit Corporation and 330 million pounds of Government-owned foreign wool were held by the Defense Supplies Corporation at the beginning of 1944.

Auction sales for the disposal of the Government's stocks of foreign wool were begun at Boston in February. About 30 million pounds were sold at the first two series and a gradual liquidation of the stockpile is expected. Such wools probably will be substituted to some extent for potential imports. United States mills used more than 600 million pounds of foreign wool in 1943, all of which was supplied by private imports by dealers and mills.

DAIRY PRODUCTS

Price supports for milk and dairy products for the rest of 1944 were announced by the War Food Administration on March 4, the new announcement pledging to maintain farm returns at least 30 cents per hundredweight higher for milk and 4 cents per pound higher for butterfat than the returns reflected by the support program in effect before October 1, 1943. Since October 1, dairymen have been receiving higher returns through the dairy production payments. Payment rates for March and April will range from 50 cents to 80 cents per hundredweight of milk in different parts of the United States, and farmers selling butterfat will receive a uniform payment of 8 cents per pound.

A limitation order restricting domestic sales of dried milk products became effective March 1, thus bringing under control practically all of the important dairy products. Limitation, reservation, or rationing orders now apply to butter, cheese, evaporated milk, ice cream, fluid milk, fluid cream, fluid milk byproducts, and dried milk products. Unregulated are bulk condensed whole and skim milk, and dried buttermilk and whey.

Production of manufactured dairy products increased more than seasonally from December to January, but most products were still below last year's levels. Butter production was about 14 percent lower in January than a year ago, while evaporated milk and cheese were down 5 and 3 percent, respectively; other cheese increased 13 percent. Dried whole milk production, amounting to 14 million pounds, was the second highest ever obtained in 1 month.

Milk cows and heifers 2 years old and over on farms January 1, 1944, numbered 27,607,000 head, 2 percent more than last year and the largest number

on record. The number of cows and heifers disappearing from herds during 1943 including slaughter and death losses, was large, but large numbers of heifer calves were saved. Milk cow numbers could be increased substantially in 1944. It is probable that relatively fewer heifer calves will be saved during 1944, but that percentage of cows and heifers culled will be smaller than last year.

POULTRY AND EGGS

Egg production on farms in the first 2 months of 1944 was 16 percent greater than a year earlier. Much of this increase has been due to a higher average rate of production per bird, which was stimulated by unusually favorable weather. The number of layers on farms has been about 5 percent larger than in the corresponding period of 1943. The increase over a year earlier in total egg production was much smaller in early March than it had been in January and February. Part of the increased output is being absorbed in larger into-storage movements and a larger volume of dried-egg production. But civilian consumption apparently is continuing above that of a year ago.

Wholesale egg prices strengthened somewhat in the first half of March but in the middle of that month were between 3 and 10 percent below wholesale prices of a year earlier. The average price received by farmers for eggs in mid-February was 31.9 cents per dozen compared with 34.6 cents in January and 34.2 cents in February 1943. Civilian consumption in January and February, however, apparently increased more over a year earlier than would normally be accounted for by the slightly lower retail prices, indicating that a new record high civilian demand for eggs has prevailed.

The demand for baby chicks seems to have strengthened somewhat in past weeks. But the over-all chick demand, as indicated by the volume purchased and prevailing chick prices, continues below that of a year ago. Hatchery production in February was 4 percent under that of a year earlier.

Current marketings of chickens by farmers apparently are continuing larger than a year earlier about in proportion to the larger number on farms. But at ceiling prices consumers would have been willing to purchase considerably more poultry than has been available.

The Armed Forces have purchased about all the storage poultry they desire out of the total quantity set aside for such purposes since December 29, 1943 under FDO 91. Poultry not purchased by the Armed Forces has been released for sale in civilian channels. A net out-of-storage movement of poultry began in mid-February.

FRUIT

Supplies of fresh citrus fruit, which predominate among the fresh fruits now moving to market, continue plentiful. In contrast, supplies of fresh apples and pears, the only other fresh fruits being marketed in considerable volume, remain short.

Harvesting of the large crops of early and midseason oranges and of grapefruit is well advanced. In Florida, about 9.5 million boxes of grapefruit were processed by February 19, 1944, compared with 11.7 million boxes by the

same date a year earlier. By March 1, about 3 million boxes of oranges were canned, 0.5 million more than by that date in 1943. In Texas, processing of grapefruit was well advanced on March 1, but the quantity processed by that date was slightly less than for the same period last season.

Shipments of fresh citrus fruit by rail and boat comprised about four-fifths of such shipments of all fresh fruit during early March. Total shipments of all fruit for the week ended March 11, 1944, were 5,334 cars, compared with 5,430 cars for the corresponding week a month earlier, and 6,099 cars for the corresponding week a year earlier. The past month marked the close of the shipping season for fresh grapes and tangerines. A few cars of winter-season strawberries were shipped during February and early March.

Cold-storage stocks of apples and pears, March 1, 1944, amounted to 10,535,000 boxes and 231,000 boxes, respectively; 36 percent and 61 percent smaller, respectively, than a year earlier.

Growing conditions for citrus fruit continued generally favorable during February, leading to a further increase in indicated production of oranges and grapefruit. Production of oranges and tangerines, based on March 1 conditions, is indicated at 101 million boxes, the largest crop on record and 13 percent larger than the 1942-43 crop. The Florida and California early and midseason crops of oranges are estimated at about 45 million boxes, 35 percent larger than last season. The 1943-44 crop of grapefruit is expected to total 49.6 million boxes, 2 percent less than last season. The California lemon crop of 14.3 million boxes is 4 percent smaller than the 1942-43 crop.

Concerning oranges sold by farmers, equivalent on-tree returns for all methods of sale, February 15, 1944, averaged \$1.51 a box compared with \$1.63 a year earlier. In contrast, similar returns for grapefruit on February 15 were higher than those a year earlier -- \$1.06 a box compared with \$0.87. The average price received by farmers for apples February 15, likewise, was higher than the corresponding price a year earlier -- \$2.94 a bushel compared with \$1.71.

New York auction prices for oranges declined sharply in January but generally advanced throughout February and early March, and for the week ended March 10 were \$5.35 a box for California Navel oranges and \$3.70 a box for Florida oranges. Prices for grapefruit on the same auction also declined in January but fluctuated during February, and for the week ended March 10 were \$3.52 a box for Florida seedless grapefruit and \$3.09 a box for other Florida grapefruit. As the season advances and supplies of oranges and grapefruit become less plentiful, prices for them, which are currently below ceilings, should improve. Apples on the New York auction continued to sell at ceiling prices.

New maximum prices for fresh oranges, tangerines, grapefruit, and lemons sold for table use have been established by the Office of Price Administration through the issuance of Amendment 19 to Maximum Price Regulation 426. This amendment establishes maximum prices for sales by every seller of citrus fruits except for sales by retailers, which are covered by other regulations. It is

effective February 23, 1944, as to maximum prices, f.o.b. shipping point and March 3 to 9, 1944, as to all other maximum prices covered.

The maximum prices established under Amendment 19 to MPR 426 supersede the maximum prices previously in force under MPR 292. Through narrowing margins, the new regulation is designed to reduce prices to the ultimate consumer under last year's level while at the same time permitting the grower a higher return.

TRUCK CROPS

A record large production of winter-season truck crops (1,394,000 tons in the aggregate) is indicated for this year. This tonnage exceeds that of the 1943 winter season by about 36 percent, and exceeds the 10-year (1933-42) average by 52 percent. Indicated production of some of the principal winter season crops, expressed as percentages of the production in 1943, is as follows: Cabbage, 180; celery, 135; spinach, 130; snapbeans, 122; and lettuce, 116 percent. The carrot crop is expected to equal that of last winter. Only three winter truck crops, artichokes, shallots, and eggplant are expected to be smaller this year than last.

The 1944 acreage of spring-season truck crops thus far reported is estimated to be 26 percent larger than the harvested acreage of these crops in 1943. The acreage of asparagus (including acreage in California for processing) is 1 percent smaller than last spring's, and the yield is expected to approximate that of a year ago. The prospective spring acreage of onions in 1944 (early and late) is double that of last year. An increase of 27 percent is indicated for the early spring acreage of lettuce.

Intended plantings of early and late summer onions total 80,140 acres, or 33 percent above the harvested summer acreage of 1943. Indicated acreages of spring and summer watermelons total 193,850 acres, 55 percent more than in 1943.

Carlot shipments of truck crops totaled 7,081 cars for the week ended March 4 -- 5 percent more than the number shipped during the week ended February 5 and 41 percent above shipments for the corresponding week of 1943. They also exceeded those of any previous week this season. Continued large shipments of vegetables appear to be in prospect for the next few weeks. Market supplies of snapbeans, broccoli, cabbage, carrots, celery, lettuce, and spinach should be plentiful.

The general level of prices received by farmers for truck crops was slightly higher for the first half of February 1944 than for the same period in 1943 (an unadjusted index of 247 compared with 241). F.o.b. prices in representative shipping districts during the last half of February and early March indicate a continuance of truck crop prices at about the mid-February level. F.o.b. prices for the week ended March 4, 1944, however, were substantially lower for most truck crops than similar prices for the week ended March 6, 1943. During early March, cabbage and spinach were selling substantially below ceiling prices; snapbeans, lettuce, green peppers, and carrots somewhat below ceiling levels; and onions at the ceiling price.

Reports thus far this season on truck crops for processing are available only for spinach in California and Texas and for green peas. The prospective spinach crop (California and Texas) for processing is indicated at 67,400 tons. This production would exceed last year's by 66 percent and the 1942 tonnage by 10 percent. The intended acreage in 1944 of green peas for processing totals 497,400 acres -- 2.5 percent above that planted in 1943 and 49 percent above the 10-year (1933-42) average. An increase from 25,800 acres in 1943 to 48,700 acres in 1944 is indicated for New York. Assuming an average acreage abandonment, 7 percent, and a 1938-42 average yield, 1,833 pounds per acre, production of green peas for processing would total 424,000 tons in 1944. This compares with 411,390 tons produced in 1943. Reports are not available on asparagus for processing. However, total prospective asparagus production in California and the other early spring States is only slightly smaller than actual production in 1943, and the acreage in late spring States also approximates that of last year. This would indicate a processing tonnage of asparagus not greatly different from that of last season, provided the percentage of the crop marketed fresh is about as in 1943.

POTATOES

Prospective plantings (March 1 estimate) of commercial early Irish potatoes are indicated to total 396,700 acres -- a record large acreage exceeding last year's harvested acreage by 6 percent and the 10-year (1933-42) average by 26 percent. Supplies from this early acreage normally comprise most of the marketings from mid-May through August.

Increases in early commercial acreage this season compared with last are greatest in the late spring area. The acreage is about 9 percent greater for the area as a whole. Acreage increases in California and Alabama, two of the principal late spring potato-producing States, are estimated at 30 percent and 50 percent, respectively. Substantial decreases are indicated for Arkansas and North Carolina, 25 percent and 12 percent, respectively.

On the basis of the indicated acreages and yields approximating the 5-year (1939-43) average, production of early commercial Irish potatoes in 1944 would be about 63.4 million bushels. This would be about 1.6 million bushels larger than the 1943 crop, and a record high production. Production would exceed last season's by 2 million bushels in the late spring States. Heaviest marketings from these States normally are in May and June.

Stocks of merchantable potatoes from the 1943 late crop totaled approximately 77 million bushels as of March 1, 1944, or 70 percent larger than the stocks of a year earlier. It is estimated that approximately 297 million bushels of potatoes will be available for sale for the season as a whole from the 1943 crop of the 37 late and intermediate States. This would exceed sales of the preceding season by about one-third. Marketings from the 1943 crops of these States totaled about 220 million bushels as of March 1, 1944, 24 percent larger than for the same period of the 1942-43 season. Sales to January 1, 1944, were about 30 percent greater than for the corresponding period of the preceding season, but marketings from January 1 to March 1 were only about

10 percent greater this season than last. Unusually heavy shipments of potatoes must be made during the next 3 months if excess supplies are to be avoided at the end of the 1943-44 late potato marketing season. Supplies of potatoes for consumers, therefore, are expected to continue abundant during the next few months in contrast to the short supplies of a year ago.

An average price of \$1.39 per bushel was received by farmers for potatoes February 15, 1944. This was two cents lower than the price a month earlier, but 13 cents above that of February 15, 1943. Since mid-February, f.o.b. prices for old stock potatoes have declined in many of the surplus producing areas. The decline was greatest in the North Central region. F.o.b. prices at Idaho Falls, Idaho, in contrast, have advanced. Prices in Florida for new-stock potatoes continue at about mid-February levels.

Prospective Crop Acreages in 1944

The prospective acreage of various food and feed crops which farmers in the United States expected on March 1 to plant in 1944 was greater than the acreage actually planted in 1943. An increase of 2.5 percent or 2,447,000 acres is indicated for corn. An increase of 7.7 percent is indicated for oats and 3.3 percent for sorghums. These are partly offset by a decrease of 13.0 percent for barley. The net increase for all of the above mentioned feed crops amounts to 4,078,000 acres or 2.3 percent of the acreage actually planted in 1943. However, yields per acre in 1943 were unusually high and better than average yields will be needed in 1944 if production is to be maintained. Because of the large numbers of livestock now on farms, the supply of feed grains for the coming year is of unusual importance.

The acreages of soybeans, cowpeas, peanuts, and flaxseed that farmers intend to plant in 1944 are all lower than the actual acreages planted in 1943. The total reduction for these four crops amounts to 3,041,000 acres or 10.7 percent of the 1943 acreage. The reduction for soybeans is only 1.0 percent as compared with 9.6 percent for peanuts and 19.0 percent for cowpeas.

Prospective plantings of spring wheat are nearly 15 percent larger than the actual acreage in 1943 and are nearly equal to the 10-year average (1933-42). Also, there was a 25 percent increase in the seeding of winter wheat last fall. Assuming spring wheat yields equal to those of the post-drought years and including the estimate made last December for the winter crop, the indicated 1944 production of all wheat would be approximately 750,000,000 bushels. A crop of this size would take care of food and seed, normal feeding and moderate exports. Above normal feeding, very large exports, and continued use of wheat for alcohol will still necessitate substantial imports if our reserves are to be maintained at a desirable level.

Farmers indicated that they expected to plant 3,180,000 acres of potatoes in 1944. This acreage is 7.3 percent below that planted in 1943, but 1.4 percent larger than the 10-year (1933-42) average. Decreases are general among the late and intermediate producing areas. The prospective acreage for 1944 with yields approximating the 5-year (1937-41) average

would produce a crop of about 410 million bushels. This compares with a 464.7 million bushel crop in 1943 and a 5-year (1937-41) annual average production of 361.2 million bushels. The intended acreage of sweetpotatoes for 1944 is slightly above the 1943 planted acreage and 11.3 percent above the 1933-42 average.

An increase of 17.4 percent from 1943 in the tobacco acreage is indicated. This will mean 254,000 more acres in tobacco in 1944 than in 1943, and 182,000 more than the 1933-42 average.

The prospective acreage of sugar beets in 1944 is 0.6 percent below the actual acreage in 1943 and 33.6 percent below the 1933-42 average. Ordinarily, consumers in the United States obtain about one-fourth of their supply of sugar from sugar beets.

ECONOMIC TRENDS AFFECTING AGRICULTURE

INDEX NUMBERS: INDICATED BASE PERIOD = 100

YEAR AND MONTH	INDUS- TRIAL PRO- DUCTION ¹	FACTORY EMPLOY- MENT ²	FACTORY PAY ROLLS ²	INCOME OF IN- DUSTRIAL WORKERS ³	CASH INCOME FROM FARM MAR- KETINGS ⁴	WHOLE- SALE PRICES OF ALL COMMOD- ITIES ⁵	RETAIL FOOD PRICES ⁶	COST OF LIVING URBAN ⁷	PRICES RECEIVED BY FARMERS ⁸	PRICES PAID BY FARMERS ⁹	PRICES PAID BY FARMERS, INTEREST AND TAXES ⁹	RATIO OF PRICES RE- CEIVED TO PRICES PAID INCL. INTEREST AND TAXES
Base period	1935-39	1935-39	1935-39	1935-39	1935-39	1935-39	1935-39	1935-39	1910-14	1910-14	1910-14	1910-14
1929	110	108	127	134	142	118	133	123	149	154	167	89
1930	91	94	103	110	113	107	126	119	128	146	160	80
1931	75	80	78	84	80	91	104	109	90	126	142	63
1932	58	68	54	58	59	80	86	98	68	108	124	55
1933	69	75	58	61	67	82	84	92	72	108	120	60
1934	75	88	75	76	79	93	94	96	90	122	129	70
1935	87	93	85	86	89	99	100	98	109	125	130	84
1936	103	101	99	100	105	100	101	99	114	124	128	89
1937	113	111	118	117	111	107	105	103	122	131	134	91
1938	89	93	91	91	96	98	98	101	97	123	127	76
1939	109	102	106	105	99	96	95	99	95	121	125	76
1940	125	110	122	119	105	98	97	100	100	122	126	79
1941	162	135	178	169	140	108	105	105	124	131	133	93
1942	199	155	258	238	194	123	124	117	159	152	151	105
1943	239	172	337	304	242	128	138	124	192	167	164	117
1943												
Feb.	232	170	317	287	240	127	134	121	184	162	159	116
Mar.	235	171	324	295	260	128	137	123	192	163	160	120
Apr.	237	171	330	300	261	129	141	124	197	165	162	122
May	238	171	334	302	258	129	143	125	194	167	163	119
June	236	172	338	304	256	129	142	124	195	168	164	119
July	240	173	336	306	256	128	139	124	193	169	165	117
Aug.	242	174	343	312	266	128	137	123	192	169	165	116
Sept.	245	174	349	315	242	128	137	124	193	169	165	117
Oct.	247	174	354	317	249	128	138	124	194	170	166	117
Nov.	247	174	358	318	254	128	137	124	194	171	167	116
Dec.	241	173	349	317	257	128	137	124	196	173	169	116
1944												
Jan. ¹⁰	242	170	348	316	264	128	136	124	196	174	169	116
Feb. ¹⁰	--	--	--	--	--	128	134	124	195	175	170	115

¹Federal Reserve Board, adjusted for seasonal variation.

²Based on Bureau of Labor Statistics data. Seasonal fluctuations in factory employment and pay rolls appear to have been largely eliminated since the United States entered the war; accordingly, no adjustments for seasonal variation have been made since December 1941.

³Includes factory, railroad and mining employees. Adjusted for seasonal variation.

⁴Adjusted for seasonal variation.

⁵Bureau of Labor Statistics, 1926 = 100 converted to 1935-39 = 100 by multiplying by 124.069 percent.

⁶Bureau of Labor Statistics.

⁷Bureau of Labor Statistics. Index numbers of cost of goods purchased by wage earners and low-salaried workers in large cities.

⁸August 1909-July 1914 = 100. Revised January 1944.

⁹Annual figures are straight averages of 12 monthly indexes.

¹⁰Preliminary.

Note: In comparing trends between industrial production and industrial workers' income, as indicated by the above index numbers, notice should be taken of the fact that income of railway workers, as well as incomes of mining and factory workers, is included in the index of industrial workers' income, whereas the industrial production index is based on mining and manufacturing only. Similar precautions are necessary in comparing trends between industrial production and factory employment and pay rolls. Another consideration of importance is that the production index is based on volume, whereas the income indexes are affected by changes in wage rates as well as by time worked. In comparing monthly indexes it is important to keep in mind the fact that there is usually a time lag between changes in volume of production and similar changes in employment and in workers' income.

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